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Panama: Noriega in Control

- I. We believe Noriega will remain firmly in control for the near future.
 - A. He has strengthened his support among the officers, who believe his resignation would threaten the survival of the Defense Forces.
 - B. Noriega's position is further bolstered by the failure of the domestic opposition or Latin leaders to mount sustained pressure.
 - Government repression and internal disunity have beaten down anti-Noriega forces.
 - Latin American countries have abandoned mediation efforts, and many have recognized the regime.
- II. Nonetheless, vulnerabilities exist.
 - A. The economy, for example, continues to deteriorate. The Embassy estimates that GDP will fall between 15 and 25 percent this year; revenues have been cut in half by the downturn and by IEEPA sanctions.
 - B. Noriega must also watch for military dissent over his handling of the crisis.
 - The new Strategic Military Council could create frictions, as could arming paramilitary groups or closer alignment with radical states.
 - Noriega will likely continue accepting low-profile assistance from Cuba and Nicaragua and funds from Libya but is unlikely to request highly visible military support.
- III. Noriega will continue to avoid actions against US interests for fear of intervention.
 - A. He will use canal as propaganda issue but won't hinder its operation because of its value. Low-level harassment of US personnel will continue.

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- V. Several in the Defence Forces engage in or protect narcotics operations in Panama; we have no smoking gun on Noriega, but he is closely associated with some connected to drug trade.

Economic pressures
Drug history
N. Biography

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